1. Risk Management – Janine Guillot

Objectives	Planned Completion Date	Status	Accomplishments
Adopt a risk framework and governance structure	Completed April 2010	✓	 Establish a Risk Framework and Governance structure with cross- Investment Office representation Presented Risk Framework to Investment Office staff Risk Governance structure approved by CIO, COIO and SIOs
Complete a risk assessment of the Total Fund investment processes	Completed Nov 2010	√	Conducted INVO-wide electronic risk survey, compiled results. Completed 23 interviews with key Investment office staff and consolidated information on risk management priorities. Conducted workshop to discuss, vote, and prioritize top risk management concerns. Finalized working Risk Heat Map, Risk Assessment, and Prioritization Summary Report Reported and submitted to INVO Operating Committee on 11/30/2010.
Produce a Total Fund exposure dashboard	June 2011		 Socialized Risk Dashboard work among asset classes Discussed assumptions and outcomes, confirmed challenges. Reviewed other organizations risk dashboards for best practices.

Legend:

✓ = complete

= need to watch

= on target or trending to target

2. Capital Allocation - Farouki Majeed

Objective	Planned Completion Date	Status	Accomplishments
Build consensus on role of asset classes and risk profile internally	Completed May 2010	✓	Completed
Establish allocation framework for annual capital allocation	Completed May 2010	√	Completed
Conduct ALM Workshop in Q4 and recommend Strategic Asset Allocation targets before year end	Completed December 2010	✓	Completed
Develop Liquidity Management and Capital Allocation for Private Equity Asset Classes	June 2011		In progress

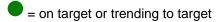
3. Cost Effectiveness / Profit Enhancement - Janine Guillot

	Planned		
Objective	Completion Date	Status	Accomplishments
Improve terms on deals in 2010 in Real Estate, RMARS, AIM, ILAC, and Corporate Governance (Rapid Results Project)	Completed May 2010	✓	 Achieved \$41M in ongoing cost savings Achieved \$12M in one-time cost savings Deferred \$43M in incentive fees Best practices shared across the asset classes in terms of contract negotiations and alignment of interests Transparency in fees and structures across the asset classes
Improve terms on deals in 2010 and institutionalize associated processes going forward (Rapid Results Project)	Completed November 2010	√	 Achieved additional \$32M in ongoing cost savings Achieved additional \$2M in one-time cost savings Deferred additional \$12M in incentive fees Outlined the process for tracking fee savings within each asset class Shared methods for calculating cost savings Developed standard format to track savings across asset classes

Legend:



= need to watch



4. Financial Market Reform - Anne Simpson

Objective	Planned Completion Date	Status	Accomplishments
Create a new, diverse pool of talent for boards (Rapid Results Project)	Completed June 2010	√ V	Shareowner nomination process agreed upon with United Health Formed advisory committee (shareowners, diversity groups, companies); Developed candidate questionnaire Drafted MOU with CalSTRS to create the Diverse Director Database (3D)
Establish a total fund process for developing policy and practice on Environmental, Social, and Governance(ESG)	June 2011		 Developed plan, approved by Internal Strategy Group and Senior Corporate Governance Group Mercer completed report summarizing ESG implementation and Responsible Investment's Second Decade.
Engage legislators and regulators on market stability and shareholder rights	June 2011		Frank/Dodd Financial Market Reform legislation passed with significant CalPERS input at Congressional and Executive level Identified 5 priority areas – Corporate Governance, Systemic Risk, Sustainability, Credit Ratings & Securitization, and Derivatives.
Develop majority voting standard for director elections	June 2011		 Engaged 58 companies requesting majority vote reform To date, 22 companies have committed to or officially adopted a majority voting standard. Staff has filed 2 shareholder proposals.
Develop financial sector focus list	June 2011		Met with board directors with 7 of CalPERS 8 largest financial holdings

Legend:

✓ = complete

= need to watch

= on target or trending to target

5. Organization Systems & Controls - Janine Guillot

Objective	Planned Completion Date	Status	Accomplishments
Introduce new investment proposal submission and tracking system (Rapid Results Project)	Completed June 2010	✓	Completed
Rationalization of Composite Structure (Rapid Results Project)	Completed Dec 2010	√	 Eliminated 47 composites and 29 dynamic benchmarks Mapped all remaining composites to a performance hierarchy or incentive compensation hierarchy Developed control mechanisms for new composite creation and maintenance Implemented an annual composite review process Renamed composites according to a standardized naming convention Restructured Wilshire Quarterly Report
Investment Proposal Decision Criteria and Screening Process (Rapid Results Project)	Completed Nov 2010	√	 Developed objective pre-screen criteria for all asset classes Developed uniform work flow process and associated communication tools Identified IPTS Steering Committee and User Group
Continue to identify inefficiencies / gaps	On-going		 In progress Formed INVO Operating Committee Finalized the Automated Real Estate Investment System (AREIS) Developed enhanced contract management database Initiated comprehensive review and simplification of investment policies Strengthened technology governance.

Legend:

✓ = complete

= on target or trending to target